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Report of the Working Party on the Medium-term Plan and the Programme Budget on its twenty-second session

Note by the UNCTAD secretariat

For technical reasons, and as a result of the short period of time between the twenty-second session of the Working Party and the third executive session of the Trade and Development Board, the report of the Working Party on its twenty-second session is being made available in mimeograph form for the convenience of delegations (see annex to this note).

The report will appear in its final form as a supplement to the Official Records of the Board at a later date under the symbols TD/B/39(2)/25-TD/B/WP/81.

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Annex

REPORT OF THE WORKING PARTY ON THE MEDIUM-TERM PLAN AND THE PROGRAMME BUDGET ON ITS TWENTY-SECOND SESSION

Held at the Palais des Nations, Geneva,
from 5 to 8 April 1993

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INTRODUCTION

1. The twenty-second session of the Working Party on the Medium-term Plan and the Programme Budget was held at the Palais des Nations, Geneva, from 5 to 8 April 1993.

2. In the course of the session, two plenary meetings were held. This report gives a short account of the proceedings of those meetings.

Opening statements

3. The Director of Programme Support and Management Services said that since its creation in 1969, the Working Party had played an extremely important role as an essential instrument of the Trade and Development Board and as a valuable source of support and advice for the Secretary-General of UNCTAD. It was to be hoped that, in discussions on the terms of reference of the Working Party in the weeks ahead, those roles would be maintained.

4. The Working Party's session had been delayed because of delays in the preparation of documentation resulting from the restructuring of the economic and social sectors of the United Nations. Moreover, because of the short time available, the revised estimates for 1993 had been prepared in New York and had been submitted directly to the General Assembly. However, the delays in the process meant that the Working Party now had an opportunity to consider the draft programme narrative for 1994-1995 and to provide comments and observations to the Secretary-General of UNCTAD and the Committee for Programme and Coordination (CPC) if it so wished. It was to be hoped that such opportunities would also be provided in future.

5. The documentation before the Working Party was still incomplete, since the Secretary-General's proposals concerning the transfer of resources to and from UNCTAD had not yet been decided upon by the General Assembly.

6. With regard to document TD/B/WP(XXII)/Misc.2, the revised work programme for UNCTAD for 1993 incorporated the reorientations of the substantive work of UNCTAD as decided on at Cartagena and by the Board and its subsidiary bodies. With regard to document TD/B/WP(XXII)/Misc.1, it must be emphasized that the programme narrative for 1994-1995, which was based essentially on the new orientations reflected in the revised work programme for 1993, was very much a draft.

7. The subprogramme structures presented in the two documents were based on the revisions to the medium-term plan for 1992-1997 which the Working Party had discussed at its twenty-first session and which had now been approved by the General Assembly. The priorities attached to the subprogrammes were as decided by the Board at the first part of its thirty-ninth session and endorsed by the General Assembly. High priority had been attached to 13 out of 20 subprogrammes.

8. The representative of the United States of America said that her delegation was extremely interested in the work of the Working Party and in its efforts to improve transparency, particularly with respect to the budgeting process. It was important to ensure a proper allocation of

resources among programmes and to overcome the problems resulting from the fact that UNCTAD's programme of work was no longer synchronized with the budgetary cycle in New York. Her delegation wished to work closely with the secretariat to ensure that the goals set in Cartagena were attained.

9. The spokesman for the Group of 77 (Peru) said that his Group would also be working constructively to ensure as much transparency as possible in managing resources and activities in UNCTAD. It was important to note that, in discussing programmes, the Working Party must not in any way change the terms of reference that had been adopted for each subsidiary body of the Board. Proper coordination would be essential for the future success of UNCTAD.

Chapter I

REVIEW OF THE UNCTAD SECTION OF THE PROPOSED UNITED NATIONS PROGRAMME BUDGET FOR THE BIENNIUM 1994-1995

(Agenda item 3)

10. For its consideration of this item, the Working Party had before it the following documentation:

> "Programme budget for the biennium 1994-1995: Section 8A: UNCTAD - Programme narrative" (TD/B/WP(XXII)/Misc.1 and Add.1 and 2);
>
> "UNCTAD 1993 revised work programme: Section 15: UNCTAD - Programme narrative" (TD/B/WP(XXII)/Misc.2).

11. At its 99th (opening) plenary meeting, on 5 April 1993, the Working Party decided to consider agenda item 3 in informal meetings.

12. At the Working Party's 100th (closing) plenary meeting, on 8 April 1993, the Chairman said that, in the course of its review of the programme narrative for the programme budget for the biennium 1994-1995 (TD/B/WP(XXII)/Misc.1 and Add.1-2), the Working Party had made recommendations for the consideration of the Secretary-General of UNCTAD for the revision of certain parts of the narrative (TD/B/WP(XXII)/CRP.1). He also noted that the Working Party had raised various points with the secretariat during its review of the programme narrative for the 1993 revised work programme (TD/B/WP(XXII)/Misc.2).

Action by the Working Party

13. At its 100th (closing) plenary meeting, on 8 April 1993, the Working Party adopted its revisions to the programme narrative for the programme budget for the biennium 1994-1995, as contained in document TD/B/WP(XXII)/CRP.1, and recommended them to the Trade and Development Board.

14. At the same meeting, it also adopted agreed conclusions (for the text of the agreed conclusions, see annex I).

Closing statements

15. The Director of Programme Support and Management Services expressed appreciation to the Working Party for the constructive nature of the inquiries, comments and recommendations voiced by the members and reflected in the agreed conclusions. A number of the recommendations contained therein would help to improve the contents of the draft programme budget narrative, and the Working Party's views would be carefully considered by the Secretary-General of UNCTAD before he finalized the draft document which he must submit shortly for review by the Secretary-General of the United Nations.

16. He wished, however, to put on record the fact that the agreed conclusions did not fully reflect the explanations provided by the representatives of the Secretary-General of UNCTAD in the course of the Working Party's deliberations. The first point to be stressed was that, as a result of the

timing of the sessions of the Working Party and events taking place at United Nations Headquarters in New York, the normal timing of the budgetary process had been disturbed, with the result that the only document that the secretariat could possibly make available to the Working Party had been a first draft of the programme narrative for the 1994-1995 programme budget. There had therefore arisen the unprecedented situation of an intergovernmental body reviewing an internal secretariat working document rather than a final draft. It was possible that some of the agreed conclusions might have been unnecessary had the document been a final version approved by the Controller on behalf of the Secretary-General of the United Nations.

17. The second point, which concerned in particular the Working Party's conclusions and recommendations relating to the nomenclature of the programme budget narrative, was that the nomenclature had been decided upon by the New York legislative bodies, as a result of years of debate, to form the basis of the instructions from the Controller for the preparation of the programme budget proposals. The Secretary-General of UNCTAD could not alter the programme budget presentation, which applied to all sections of the United Nations programme budget.

18. Finally, while a great many useful comments had been made by members of the Working Party on the contents of the narrative, it was the view of the representatives of the Secretary-General of UNCTAD that those comments should have remained at the level of general orientations rather than proposing actual drafting amendments in the narrative. In that connection, some of the differences of opinion between the secretariat and the members of the Working Party might perhaps be attributable to the absence of clear terms of reference for the Working Party. It was hoped that this would be remedied at the forthcoming informal consultations of the Secretary-General of UNCTAD on the matter, so that both the members of the Working Party and the secretariat would feel comfortable in the very necessary and fruitful interaction that would allow the Secretary-General of UNCTAD to prepare programme budget proposals that not only fully reflected the wishes of member States but readily gained their support as well.

19. The spokesman for the Group of 77 (Peru) said while it was true that, because of circumstances, the Working Party had had to work on a narrative that was not a final text, the positive aspect was that it was now clear that future sessions of the Working Party must be carefully timed to ensure that the Working Party's recommendations on the medium-term plan and the programme budget could be properly taken into account in the deliberations of CPC, ACABQ and the General Assembly.

20. While the agreed conclusions adopted by the Working Party pointed to ways of improving the budget-setting process in UNCTAD, they also recognized the prerogatives of the Secretary-General of UNCTAD with regard to the internal allocation of resources.

21. Finally, in the future work of the Working Party, amendments made to texts should be reflected in a reissued version of the complete text showing all additions and deletions.

22. The representative of Finland said that, throughout its deliberations, the Working Party had stressed the importance of sustainable development, with regard to which UNCTAD had a clear mandate in connection with the implementation of Agenda 21. In that regard, the Working Party had expressed concern about the UNCTAD secretariat's capacity to fulfil its responsibilities in the field of sustainable development, and he therefore welcomed the assurances given by the secretariat that it was aware of the importance of the issue, that its work in that field would be strengthened, and that it would be in a position to implement the relevant parts of its programme of work. It was to be hoped that any internal restructuring of the secretariat would reflect the importance attached to sustainable development by Governments. This meant that the strengthened role of UNCTAD in that field should be based not only on expected extrabudgetary resources but also on increased regular budget resources, for example through the strengthening of environment-related units in the International Trade Division and the Commodities Division.

23. The spokesman for the African Group (Nigeria) said that his Group appreciated the information received from the secretariat on the positive action taken by the Secretary-General of UNCTAD to strengthen the Africa Unit in UNCTAD. It was confident that every effort would be made to ensure that African interests were accorded high priority in the work of all the intergovernmental bodies of UNCTAD, in accordance with Board decision 398 (XXXVIII).

24. His Group also attached high priority to ECDC, which was vital for developing countries' future. The ECDC Division in the UNCTAD secretariat should be more imaginative in its approaches and should take more initiatives. To that end, it must be provided with adequate resources and with the necessary skills. His Group called on all member States, especially the developed countries, to lend their full support to the ECDC Division.

25. The representative of Canada said that there existed a serious problem of lack of transparency in the United Nations budget-setting process as it related to UNCTAD, and he was therefore pleased that the Working Party had begun to address that issue positively. The overall allocation of resources for 1994-1995 in terms of work months did not properly match the priorities set by the Board at the first part of its thirty-ninth session, and it was hoped that the Working Party would continue playing a positive role in securing a better match. The timing of the Working Party's twenty-second session, i.e. two or three months before the submission of the narrative to New York, was positive, since it allowed member States to influence the UNCTAD budgeting process. The question of the timing of Working Party sessions should be raised at the consultations on the terms of reference of the Working Party.

26. The representative of the United States of America said it was his Government's firm expectation that the recommendations contained in the Working Party's agreed conclusions would be applied when the Working Party met in 1994 to review revisions of the 1994 budget.

Chapter II

ORGANIZATIONAL MATTERS

A. Opening of the session

27. The twenty-second session of the Working Party was opened on 5 April 1993 by Mr. L.B. Gatan (Philippines), Chairman of the Working Party at its twenty-first session.

B. Election of officers
(Agenda item 1)

28. At its 99th (opening) plenary meeting, on 5 April 1993, the Working Party elected Mr. Michael Mugliston (Australia) as its Chairman and Mr. José Perez Gabilondo (Argentina) as its Vice-Chairman-cum-Rapporteur.

C. Adoption of the agenda and organization of work
(Agenda item 2)

29. Also at its 99th meeting, the Working Party adopted its provisional agenda (TD/B/WP.80), as follows:

1. Election of officers
2. Adoption of the agenda and organization of work
3. Review of the UNCTAD section of the proposed United Nations programme budget for the biennium for 1994-1995
4. Provisional agenda for the twenty-third session of the Working Party
5. Other business
6. Adoption of the report of the Working Party to the Trade and Development Board.

30. In adopting its agenda, the Working Party decided that, in its discussions on agenda item 3, it would work on a subprogramme-by-subprogramme basis and for each subprogramme it would look at the revised programme narrative for 1993 (TD/B/WP(XXII)/Misc.2) and the programme narrative for 1994-1995 (TD/B/WP(XXII)/Misc.1 and Add.1 and 2).

D. Provisional agenda for the twenty-third session of the Working Party

(Agenda item 4)

31. At its 100th (closing) plenary meeting, on 8 April 1993, the Working Party decided that the question of the provisional agenda for its twenty-third session should be referred to the consultations of the Secretary-General of UNCTAD. The provisional agenda should include an item dealing with the

implementation of the recommendations contained in the Working Party's agreed conclusions (see annex I).

E. Adoption of the report of the Working Party to the Trade and Development Board

(Agenda item 6)

32. At its 100th (closing) plenary meeting, on 8 April 1993, the Working Party adopted its draft report (TD/B/WP/L.67) and authorized the Rapporteur to complete the text to reflect the proceedings of the closing plenary. The report would be placed before the Board at its third executive session.

Annex I

AGREED CONCLUSIONS ADOPTED BY THE WORKING PARTY AT ITS TWENTY-SECOND SESSION

1. As a result of its examination of a draft programme narrative for the proposed programme budget for the biennium 1994-1995 (TD/B/WP(XXII)/Misc.1), the Working Party recommends to the Trade and Development Board that the Secretary-General of UNCTAD, in the process of finalizing the proposed programme budget for the biennium 1994-1995 for submission to the Secretary-General of the United Nations, incorporates the revisions in document TD/B/WP(XXII)/CRP.1.

2. In the process of examining the draft programme narrative prepared in accordance with the instructions issued by the Controller of the United Nations, the Working Party stressed the need to increase the transparency surrounding the United Nations budget setting process as this applies to UNCTAD. The Working Party identified a number of factors which inhibited efficient and effective review of the proposed programme budget for the biennium 1994-1995:

(a) The absence of financial tables relating to the programme narrative: the Working Party experienced difficulty in considering the programme narrative document owing to the absence of information on the financial aspects of the programme budget. The Working Party considered that neither the Financial Regulations and Rules nor the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation precluded the provision of financial tables to it in order to assist its consideration of the proposed programme budget to be submitted by the Secretary-General of UNCTAD to the Secretary-General of the United Nations. The Working Party recognized that these regulations and rules did not provide for review by specialized intergovernmental organs of the programme budget proposed by the Secretary-General of the United Nations to the General Assembly;

(b) The absence of references to legislative mandates: as mandates were not set out in the narratives, the Working Party experienced difficulties in identifying specific mandates for certain activities;

(c) Extra-budgetary resources: the narratives did not clearly identify activities financed from the regular budget, those that will be funded from available extra-budgetary resources and those dependent on extra-budgetary resources being made available;

(d) Lack of consistency and clarity: a number of inconsistencies and differing interpretations were identified by the Working Party in relation to categories of activities contained in the programme narratives, in particular:

- Parliamentary documentation versus published material: different interpretations arose from the lack of clear definitions of these categories, as well as within the published material category (particularly non-recurrent publications and technical material);

- References to UNCTAD VIII, Trade and Development Board decision 398 (XXXVIII) and UNCTAD IX were not treated uniformly throughout sub-programmes;

(e) Ad hoc expert groups: the nomenclature is insufficiently clear to adequately distinguish between those ad hoc expert groups established by the Secretary-General of UNCTAD and intergovernmental groups of experts that are mandated by intergovernmental bodies.

3. In order to address the above concerns in the interest of facilitating its work at future sessions, while recognizing that the whole question of the role and function of the Working Party would be the subject of consultations to be conducted by the Secretary-General of UNCTAD (TD/B/EX(2)/2, para. 69), the Working Party recommends that on:

(a) Financial tables relating to the programme narrative: future sessions of the Working Party should be provided with financial tables. The Secretary-General of UNCTAD should pursue his efforts in seeking clarifications in this regard;

(b) Legislative mandates: in preparing documents for the Working Party or other groups involved in programme and budget planning/review, the mandate from which specified activity is drawn should be indicated, e.g. Cartagena Commitment, work programmes of subsidiary groups or other;

(c) Extra-budgetary resources: the narratives should clearly identify activities financed from the regular budget, those that will be funded from available extra-budgetary resources and those dependent on extra-budgetary resources being made available;

(d) Lack of consistency and clarity: there should be consistency in the application of definitions and presentation of the materials between and within sub-programmes;

(e) Ad hoc expert groups: the nomenclature should clearly distinguish between those ad hoc expert groups established by the Secretary-General of UNCTAD and intergovernmental groups of experts that are mandated by intergovernmental bodies.

4. The Working Party took note of the priorities established for sub-programmes by the Trade and Development Board at the first part of its thirty-ninth session. The Working Party recommends the following two principles for resource allocation:

(i) Those areas designated by the Trade and Development Board as "high priority" should be given a larger share of overall UNCTAD resources than those not so designated;

(ii) All areas designated as "high priority" by the Trade and Development Board are equally valuable, and therefore, the division of resources among the "high priority" areas should be equitable according to the work programmes approved in the relevant intergovernmental bodies.

5. The Working Party questioned the arbitrary priority designation of activities within sub-programmes not designated high priority.

6. The Working Party recommends that in relation to the programme narrative for the proposed programme budget for the biennium 1994-1995, the reference to the Cartagena Commitment and Trade and Development Board decision 398 (XXXVIII) should be made in every sub-programme.

7. The Working Party noted the information received from the secretariat that action has been taken by the Secretary-General of UNCTAD in line with the Agreed Conclusions approved by the Trade and Development Board at its thirty-ninth session (second part) to strengthen the Africa Unit in UNCTAD.

8. The Working Party noted with regret that provision of documentation for meetings of the Trade and Development Board and its subsidiary bodies continues to be very tardy and that the six-week rule for issuance of documents is rarely observed. The Working Party urged the Secretary-General of UNCTAD to make every effort to ensure that this rule is adhered to in the future.

9. The Working Party is conscious of the fact that UNCTAD VIII and the proposed restructuring of the economic and social sectors have significant ongoing implications for staff deployment in UNCTAD. The Working Party therefore considers high priority should be accorded to ensuring adequate funds are made available for human resources management, particularly training of UNCTAD staff. The Working Party notes the importance of information technology in this latter context.

Annex II

ATTENDANCE 1/

1. The following States members of UNCTAD, members of the Working Party, were represented at the session:

Argentina
Australia
Bulgaria
China
Egypt
Finland
Germany
India
Japan
Nepal
Nigeria
Peru
Philippines
Poland
Russian Federation
United Kingdom of Great Britain and Northern Ireland
United Republic of Tanzania
United States of America

2. The following other States members of UNCTAD, not members of the Working Party, were represented as observers at the session:

Algeria
Canada
Chile
Colombia
Cuba
Democratic People's Republic of Korea
Denmark
Ecuador
Equatorial Guinea
France
Hungary
Ireland
Italy
Madagascar
Malaysia
Mexico
Morocco
Myanmar
Romania
Senegal
Singapore
Slovenia
Spain
Switzerland
Thailand
Trinidad and Tobago
Zimbabwe

3. The Economic Commission for Europe was represented at the session.

1/ For the list of participants, see TD/B/WP/INF.26.